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State of South Carolina  
Office of the Secretary of State  
The Honorable Jim Miles

EOC

1205 PENDLETON STREET, SUITE 525  
COLUMBIA, SC 29201

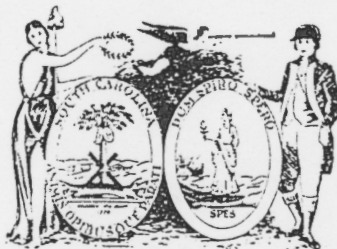
Information  
(803) 734-2170

Business Filings  
(803) 734-2158

P.O. BOX 11350  
COLUMBIA, SC 29211

Boards/Commissions  
(803) 734-2119

Notaries  
(803) 734-2512



October 15, 1998

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**STATE DOCUMENTS**

His Excellency, The Governor, and  
Members of the General Assembly of the  
State of South Carolina

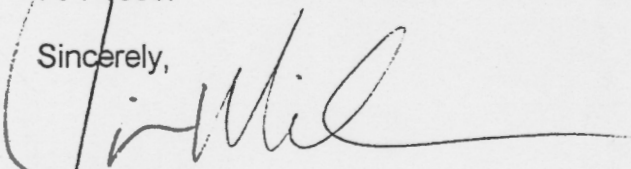
Enclosed you will find the Annual Accountability Report for fiscal year 1997-1998 for the Office of the Secretary of State.

Our duties as set forth by the South Carolina Code of Laws include the registration of corporations, Uniform Commercial Code interests, business opportunities, employment agencies, trademarks, and notaries. The Secretary of State is the custodian of Acts ratified each year by the General Assembly and handles the publication of open positions within 106 boards and commissions. This office is also the administrator and regulator of all charitable laws of South Carolina.

As we strive to be the most efficient agency within state government, delivering to South Carolinians the highest level of service, we track our success by the level of customer satisfaction and the streamlined workflow within this office. The proficiency of our employees is our greatest asset and our open door policy allows for their input as to the future of this agency and as to how it handles its daily tasks.

With the recent addition of the Public Charities Division, electronic commerce, and boards and commissions, our opportunities seem boundless. If you need further information or have questions about this report, please contact Paul Allen at (803) 734-1605.

Sincerely,

  
Jim Miles  
Secretary of State

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Budget & Control Board  
OFFICE OF STATE BUDGET

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Budget & Control Board  
OFFICE OF STATE BUDGET

EDZ

## OFFICE OF THE SECRETARY OF STATE

### *EXECUTIVE SUMMARY*

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As one of the smaller agencies in state government, operating for the 1997-1998 fiscal year on a budget of \$937,929 with 17 full time and 13 temporary employees, the Office of the Secretary of State faces unique challenges in delivering its large scale service to the citizens of South Carolina. This agency processes 250,000 of mail and 208,000 phone calls per year. It is very important that we operate efficiently making full use of the resources available to us. This year marked the first budget increase to this office in 8 years and the addition of 4 full time employee slots.

The entire agency is focused on customer service since 75% of what we do requires direct contact with the public. According to our customer response cards, the level of service delivered by this office is rated overall as being "above average to excellent" by 88% of the respondents. The percentage of respondents rating us at "above average to excellent" in the following areas are:

- |                              |     |
|------------------------------|-----|
| 1. Speed of service          | 93% |
| 2. Attentiveness             | 87% |
| 3. Special request handling  | 83% |
| 4. Compare to other services | 88% |
| 5. Overall rating            | 88% |

Ranking order for programs listed in this years accountability report was determined based on the scope of the work involved as well as the amount of the annual budget used to support the program. Business Filings comprised 65% of the budget followed by Information Technology costs at 20%. Administration costs accounted for 15%. Notaries, Boards, and Commissions comprised 5%. Trademarks, Business Opportunities, Employment Agencies, and Special Purpose Districts used 5% total. The 4% remaining was used to perform duties not allocated directly to these programs. The Secretary of State handles many duties not widely known such as the approval of payroll deductions from state employees for charitable organizations, and the registration of subversive agents.

In May and June, as a result of the 1998 Legislative session, the Office of the Secretary of State laid the ground work for a new legal department, the transfer of the Public Charities Division, the publication of openings on boards and commissions, and the beginnings of Electronic Commerce in South Carolina state government. The agency sent two investigators to the criminal justice academy and to private training to prepare for a crack down on violators of intellectual property rights, on illegal business opportunity offerings, and unlawful employment agency operations.

## ***EXECUTIVE SUMMARY*** continued

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To facilitate these changes we have upgraded our information technology system agency wide. We have added a public terminal in the lobby and have made most of the information stored in this agency accessible via Direct Access. Our expansion was also made with the up coming Internet access of the Secretary of State in mind. This computer access expansion also allows other state agencies we work in conjunction with, such as the Attorney General's Office, the Department of Revenue, and the State Budget and Control Board the ease of inter office communication and sharing of information.



# OFFICE OF THE SECRETARY OF STATE

## ***MISSION STATEMENT***

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The mission of the Office of the Secretary of State is two fold. First we must gather, organize, and maintain the records of the various entities required to register with this office by the South Carolina Code of Laws. Corporations, Uniformed Commercial Code interests, notaries, intellectual property rights, business opportunities, employment agencies, and apostilles are all registered by this office. This office handles the incorporation of municipalities and special purpose districts, the annexation of land, and the escheatment of real property in South Carolina. Secondly, we must be "user friendly", providing the public with the tools they need to comply with the state's requirements in each of the areas for which the Secretary of State is responsible and providing easy access to the public information stored here. We come into contact with every corporation that does business in this state, therefore customer satisfaction is our top marker of success. One day turn around is provided on 90% of the business that comes to this office. We will continue to strive for 100%.

# OFFICE OF THE SECRETARY OF STATE

## ***PROGRAMS***

***Priority 1***

### ***Program Name:*** BUSINESS FILINGS

***Program Goal:*** Register all businesses organizing or incorporating in South Carolina and qualify all foreign business entities wishing to do business in this state. Business filings include all corporate/ business entity types, non-profit corporations, and Uniform Commercial Code interests. Provide a knowledgeable, responsive staff adept at handling customer inquiries.

***Objective:*** Make the registration process as efficient and as easy for the public to use as possible. To accomplish this, job responsibilities were restructured to create a more streamlined workflow. Forms for business filings were condensed and reformatted for ease of use and processing. The computer system was upgraded by replacing the dummy servers at operator stations with personal computers, thereby allowing greater flexibility in meeting customer needs.

### ***Performance Measures:***

♦ <u>Total</u> Business Filings	<u>1997-1998</u>
Number of filings:	74,121
Number of staff:	12

    % Of change in filings since 1991:     +58%

♦ Breakdown of Filings:	<u>FY 97-98</u>
Corporations (domestic):	8,263
Corporations (foreign):	3,137
Limited Liability Corp.:	4,206
Non-profit Corporations:	1,650
Uniform Commercial Code 1:	30,171
Uniform Commercial Code 3:	14,490
* Miscellaneous:	11,737

\* This category includes dissolutions, reinstatements, withdrawals of authority, mergers, amendments, and various functions requiring the filing of forms with this agency.

- ♦ Our benchmark for success is maintaining a 90% + one day turn around in all filings. The 10% left are related to working with the customer to fulfill registration requirements. We also measure our success by tracking our workflow with customer satisfaction response cards, the results of which are shown in the executive summary.

# OFFICE OF THE SECRETARY OF STATE

## **PROGRAMS**

## **Priority 2**

**Program Name:** NOTARIES, BOARDS, AND COMMISSIONS

**Program Goal:** Commission all notaries and elected or appointed officials for the state of South Carolina. Provide apostilles and certifications for the same. Issue Bonds for all state and local elected officials who require bonding. Be the custodian of Acts ratified by the General Assembly and of Executive Orders issued by the Governor each year. Notary commissions must be renewed every 10 years. File all bonds issued by state boards or commissions such as Public Service Authority Revenue Notes, State Capital Improvement Bonds, and USL Anticipation Notes.

**Objective:** Computerize records both present and past. Shorten turn around time for notary approval. Create database for 106 boards and commissions.

### **Performance Measures:**

- |                            |                  |        |
|----------------------------|------------------|--------|
| ◆ Notary Registrations:    | <u>1997-1998</u> |        |
| Number of new filings:     | 7,289            |        |
| Number of renewals:        | 5,442            |        |
| Duplicates and Changes:    | 665              |        |
|                            | <b>TOTAL:</b>    | 12,731 |
| ◆ Boards and Commissions:  |                  |        |
| Oaths and Commissions:     | 4,000            |        |
| Bonds:                     | 3,017            |        |
| Apostilles/Certifications: | 2,411            |        |
| ◆ Executive Orders:        | 150              |        |
| ◆ Ratified Acts:           | 259              |        |
- ◆ Notary approval turn around time shortened from 8-10 weeks down to 1 week.
  - ◆ All records of appointments for state and county officials from 1991-1995 have been put on computer. All South Carolina Law Enforcement agents and South Carolina Constables have been added to the computer system. Acts ratified in 1997 and 1998 have been put on computer in a format allowing for cross-reference.



# OFFICE OF THE SECRETARY OF STATE

## ***PROGRAMS***

***Priority 3***

### ***Program Name:*** BUSINESS OPPORTUNITIES

***Program Goal:*** All Business opportunities offered in South Carolina, unless they fall within an enumerated exemption, are required to register with the Office of the Secretary of State biannually. They must submit a disclosure document at the time of the initial filing.

***Objective:*** Increase public awareness of the necessity to register these opportunities and step up compliance with the registration requirements. All business opportunities were processed manually until this year when they were added into the current network system.

#### ***Performance Measures:***

♦ Business Opportunity Filings	<u>1997-1998</u>	
Number of new filings:	42	
Number of renewals:	33	
	<b>TOTAL:</b>	75

- ♦ Business opportunities are now available via our Direct Access computer system to the public.

### ***Program Name:*** TRADEMARKS

***Program Goal:*** Register Trademarks and Service marks for use within South Carolina providing protection to the holder for 5 years.

***Objective:*** Increase public awareness of the benefits in registering intellectual properties. Registration of a business entity is separate from the registration of a business' name or symbol and will not protect the holder of the mark. Trademark registration must be done to provide this protection. Trademarks were processed manually until this year.

#### ***Performance Measures:***

♦ Trademark Registrations	<u>1997-1998</u>	
Number of new filings:	561	
Number of renewals:	3	
	<b>TOTAL:</b>	564

- ♦ Trademark registration has been added to the existing computer network system and is now available via Direct Access to the public.

# OFFICE OF THE SECRETARY OF STATE

## **PROGRAMS**

**Priority 4**

**Program Name:** EMPLOYMENT AGENCIES

**Program Goal:** All Employment Agencies doing business in South Carolina must register with and be licensed by the Secretary of State. Agencies must renew their licenses biannually.

**Objective:** Confirm registration status of all employment agencies doing business in this state. Increase compliance with regulatory provisions in the statute.

**Performance Measures:**

◆ Employment Agency Filings	<u>1997-1998</u>	
Number of new filings:	114	
Number of renewals:	65	
	<b>TOTAL:</b>	179

**Program Name:** SPECIAL PURPOSE DISTRICTS

**Program Goal:** Register Special Purpose Districts ("SPD") after they have been approved by the county in which they are located. Publish a listing of all SPDs biannually giving their locations, registrations, contact numbers, and other pertinent information. Districts must renew every other year to remain active.

**Objective:** All record keeping has been done manually. Input all records on computer network. Contact all districts and ask for renewals to generate a list of active districts.

**Performance Measures:**

◆ Registrations	<u>1997-1998</u>	
Number Inactive:	116	
Number Active:	173	
	<b>TOTAL:</b>	289

- ◆ All Special Purpose Districts have been added to the computer system and are now available via Direct Access. Districts were contacted in May for renewals.